

**MIAMI COUNTY COMMISSIONERS  
MIAMI COUNTY COURTHOUSE**

**January 2, 2023**

Re: Responses to recent questions on Huckleberry solar project solar project

***Question 1: Why did you decide on tax abatement for the solar project?***

When Savion was considering locating in Miami County, it asked whether the County would consider granting it some tax abatement as an incentive to locate here. We immediately recognized that such a project would likely return significant economic benefits to the County and to those farmers interested in leasing their lands for such a project. Accordingly, we encouraged the County Council to grant tax abatement to incentivize the company to construct its solar farm in Miami County. Without tax abatement, Savion may have taken its project elsewhere.

***Question #2: By granting tax abatement, won't you be putting the tax burden on the backs of Miami County taxpayers?***

To the contrary.

Remember that the County's budget is essentially fixed from year to year. It does not increase or decrease based on the amount of real property taxes collected. If, for example, the budget is fixed at \$1 million dollars that budget is funded by all of Miami County's current taxpayers. When the solar farm becomes operational, the solar company joins the ranks of Miami County taxpayers and will then be paying real property taxes to help fund that \$1 million budget, with the result that all of Miami County's other taxpayers will pay less.

The County Council agreed to grant an abatement of 85% of Savion's taxes for 10 years. That means that for the first 10 years of the project, Savion will be paying less in real property taxes than if tax abatement had not been granted, but the 15% it will be paying is more than it is paying now (which is nothing). So at least that 15% contributes to funding the County's budget and provides some relief to current taxpayers. Beginning with year 11 of the project, tax abatement will cease completely and Savion will then pay real property taxes based on 100% of the assessed value of its property, i.e., when 100% of the assessed value is added to the tax base, Savion will pay substantially more in property taxes and all other taxpayers will pay less.

Recall also that, in addition to Savion's payment of property taxes, the economic development agreement presently being negotiated calls for Savion to make over \$17 million of economic development payments to the County over a 5-year period, which may be used for governmental purposes at the discretion of the Commissioners and County Council.

**Question 3: What is the difference in tax rates between agricultural land and land that houses solar panels?**

Land assessed as agricultural and solar each have their own specific assessed valuations per acre. The calculations for each are different, change annually, and are certified by the state. For 2023 the assessed value for agricultural land is \$1,900 per acre and the assessed value for land with solar panels may be as high as \$13,000 per acre. The assessed value for land with solar panels will be determined by the County Assessor annually, but should not be higher than the amount directed by the state. We do not know what the values for either classification of land will be at the time the solar farm becomes operational, but it should be similar to the 2023 figures. While the tax rates also change annually for various reasons, the same tax rate will be applied to both the land with the panels on them and agricultural land.

**Question 4: Is the County going to provide taxpayers who own lands that adjoin the solar farm with any kind of a property value guarantee?**

No. We believe that our solar ordinance adopted October 18, 2021, provides adequate protection to neighboring property values.

**Question 5: What safeguards will be in place to assure that the solar farm will be removed upon the end of its useful life?**

See Section 15 of Ordinance 10-18-202. The decommissioning agreement is presently being negotiated.